

Markaryd, Sweden, 15 August 2007

Strong development for NIBE Element and NIBE Heating, but a weak first half for NIBE Stoves

In its interim report published today NIBE reports a sound development over the first six months of 2007:

- Sales rose by 20% to SEK 2,532 million (Jan-Jun 2006: SEK 2,100 million)
- Profit after net financial items rose by 11.6% to SEK 194.9 million (SEK 174.7 million)
- Earnings per share totalled SEK 1.49 (SEK 1.31)
- Acquisition of Lübcke Rail A/S, Denmark

“We have enjoyed a first half to the year in which we have again captured new shares of the market in all business areas. The overall markets for NIBE Element and NIBE Heating have continued to develop positively, although the market for wood-burning stoves – most significantly in Germany and Denmark – has contracted substantially,” says Gerteric Lindquist, CEO of NIBE Industrier.

“The NIBE Heating business area continues to report strong organic growth. It is first and foremost on our foreign markets that we are now growing, thanks to a rapid expansion in demand for heat pumps within Europe as consumers become increasingly environmentally aware and energy conscious.

“NIBE Element also shows strong growth and earnings are developing in the right direction. The restructuring programme initiated in 2005 will be completed during the course of the year, but we can already see the effects of the measures taken in the form of improved earnings and increased market shares.

“For NIBE Stoves, however, recent months have created a difficult situation, particularly in Germany and Denmark, where the overall market has contracted dramatically. Even so, we remain positive with regard to the next six months, as we believe that the market will recover and we will reap the benefits of marketing our new series of models.

“It is therefore our opinion that sales will continue to develop well for the NIBE Group although with a continued somewhat lower rate of growth in earnings during 2007” Gerteric Lindquist concludes.

Yours sincerely,
NIBE Industrier AB

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***NIBE Industrier AB**, which has its head office in Markaryd in the south of Sweden, currently employs 5 000 people and has annual sales of some SEK 5 billion (approx. EUR 550 million). The company has been listed on the Stockholm Stock Exchange since 1997 (Large Cap).*

NIBE Industrier consists of three business areas: NIBE Element, NIBE Heating and NIBE Stoves, all of which are engaged in product development, manufacturing and marketing. Production currently takes place in Sweden, Norway, Finland, Denmark, Poland, the Czech Republic, Italy, Spain, England and China. The product range is as follows:

***NIBE Element:** components for electric heating applications, primarily tubular and foil elements.*

***NIBE Heating:** heat pumps, water heaters, domestic boilers and district heating equipment.*

***NIBE Stoves:** wood-burning stoves sold under the Handöl, Contura, Cronspisen, Roslagsspisen, Nord and Varde brands.*

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